

AMENDED

NO. 62375

**APPLICATION FOR PERMISSION TO CHANGE POINT OF
DIVERSION, MANNER OF USE AND PLACE OF USE OF THE
PUBLIC WATERS OF THE STATE OF NEVADA
HERETOFORE APPROPRIATED**

Date of filing in State Engineer's Office AUG 09 1996
Returned to applicant for correction AUG 21 1996
Corrected application filed OCT 21 1996
Map filed OCT 21 1996

The applicant Rayrock Mines, Inc., hereby makes application for permission to change the point of diversion of water heretofore appropriated under Permit No. 60992

1. The source of water is underground
2. The amount of water to be changed 0.5 second feet
3. The water to be used for mining, milling and domestic
4. The water heretofore permitted for mining, milling and domestic
5. The water is to be diverted at the following point NW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 4, T.12S., R.48E., M.D.B.&M. (unsurveyed) at a point from which the NW corner of section 4, T.12S., R.48E., M.D.B.&M. (unsurveyed) bears N 47°03'18.3"W, a distance of 4,883.3 feet.
6. The existing permitted point of diversion is located within the NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 14, T.12S., R.48E., M.D.B.&M. (unsurveyed) at a point from which the NW corner of section 4, T.12S., R.48E., M.D.B.&M. (unsurveyed) bears N 43°05'42" W, a distance of 16,042.04 feet.
7. Proposed place of use SW $\frac{1}{4}$ Sect. 12, SE $\frac{1}{4}$ Sect. 12, Sect. 13, NE $\frac{1}{4}$ Sect. 14, SE $\frac{1}{4}$ Sect. 14, T.12S., R.47E., M.D.B.&M.; SW $\frac{1}{4}$ Sect. 7, SE $\frac{1}{4}$ Sect. 7, SW $\frac{1}{4}$ Sect. 8, T.12S., R.48E., M.D.B.&M. (unsurveyed)
8. Existing place of use SW $\frac{1}{4}$ Sect. 12, SE $\frac{1}{4}$ Sect. 12, Sect. 13, NE $\frac{1}{4}$ Sect. 14, SE $\frac{1}{4}$ Sect. 14, T.12S., R.47E., M.D.B.&M.; SW $\frac{1}{4}$ Sect. 7, SE $\frac{1}{4}$ Sect. 7, SW $\frac{1}{4}$ Sect. 8, T.12S., R.48E., M.D.B.&M. (unsurveyed)
9. Use will be from January 1 to December 31 of each year.
10. Use was permitted from January 1 to December 31 of each year.
11. Description of proposed works Drilled and cased well, electric motor, and distribution system.
12. Estimated cost of works \$300,000
13. Estimated time required to construct works 2 years
14. Estimated time required to complete the application of water to beneficial use 5 years
15. Remarks: Water to be used for mining, heap leaching and precious metals recovery. Water will be comingled with applications #60985, #60986, #60987, #60988, #60989, #60990, #60991, #60992, Certificate #13786 and Certificate #13788. Total consumptive use will not exceed 210.4 mm gallons annually.

By s/ D. Henry Reed D. Henry Reed
P.O. Box 160
Valmy, Nevada 89438

Compared cl/jk cl/cms

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the point of diversion of the waters of an underground source as heretofore granted under Permit 60992 is issued subject to the terms and conditions imposed in said Permit 60992 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the Proof of Completion of Work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance issued under the provisions of NRS 533.371 for a finite period of time. This permit will expire on January 1, 2008, and all rights herein will revert back to the source.

It is also understood that this right must allow for a reasonable lowering of the static water level.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permit 51555 Certificate 13786; Permit 52847 Certificate 13788; Permits 60985; 60986; 60987; 60988; 60989; 60990; 60991, and 62375 shall not exceed 645.7 acre-feet annually. The total combined diversion rate under the above referenced permits and any subsequent changes to these permits shall not exceed 4.94 cubic feet per second.

The above referenced water rights are issued subject to the letter of approval by the State Engineer dated August 8, 1996, of the "Monitoring Program for Groundwater Levels in Crater Flat, Southern Nevada". This monitoring plan dated November 6, 1995, was entered as a portion of Applicant's Exhibit A-5 at the hearing before the State Engineer on March 19, 1996. The State Engineer reserves the right to impose additional terms and conditions upon review and evaluation of data submitted as a result of the monitoring program.

Monthly records will be kept of the following: the volume of water pumped from each well and the volume of water consumptively used for mining and milling purposes projectwide. These records will be submitted within 15 days after the end of each month.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

With the issuance of this permit, Permit 62376-T is expired.
(CONTINUED ON PAGE 2)

(PERMIT TERMS CONTINUED)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.5 cubic feet per second, but not to exceed 362.0 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

August 8, 1998

Proof of completion of work shall be filed before:

September 8, 1998

Application of water to beneficial use shall be filed on or before:

January 1, 2008

Proof of the application of water to beneficial use shall be filed on or before:

Permit Expires
January 1, 2008

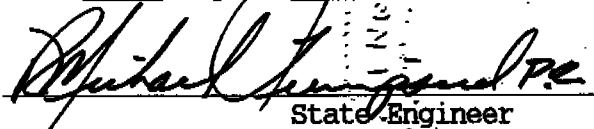
Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.,
State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 5th day of August, A.D. 1997


State Engineer

Completion of work filed OCT 08 1998

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

Journal of Management Studies, 36(7), 809-826.